Slide 1 Introduction

Presentation to:
NAVY WORKING CAPITAL FUND
FINANCIAL MANAGEMENT CONFERENCE
21 FEBRUARY 2001

VADM J. DYER
COMMANDER
NAVAL AIR SYSTEMS COMMAND

Slide 2 REVOLUTION IN BUSINESS AFFAIRS VISION

“DON will use the best business practices (commercial or public) and supporting architectures (ERP approach) to make informed decisions (right info to the right people at the right time).”

Slide 3 WHAT IS ERP?

Revolutionary change in business processes for dramatic improvements: the integration of business processes that optimize functions across the enterprise (e.g., supply chain, finance, manufacturing /maintenance, human resources, etc.)

The figure below shows a circle with Common Data at its center, and the following 9 sections surrounding it:

- Order Management
- Financials
- Procurement
- Human Resources
- Manufacturing/Maintenance
- Operations
- Inventory
- Facilities Management
- Management Reporting

ERP solutions provide consistent, complete, relevant, timely and reliable information for decision making.

Slide 4 ENTERPRISE APPLICATION MARKET

The enterprise application market is expected to grow to $78.5 billion by 2004.

The pie chart below shows the following breakout of the enterprise application market:

- ERP, Enterprise Resource Planning = $21.4B
- ERM, E-Business Relationship Management = $20.8B
- SCM, Supply Chain Management = $20.3 B
- E-Commerce, Electronic Commerce = $16.0B

Source: AMR Research, June 2000

Slide 5 ERP MARKET GROWTH TREND FORECAST 1999 TO 2004

The following figure shows an upward arrow, representing growth in the ERP Market between 1999 and 2004.

In 1999, ERP Market Growth was $16.9 Billion
By 2004, ERP Market Growth is expected to be $21.4 Billion

Factors Affecting Growth include the following:

- Strategic Extension
- New Market Dynamics
- E-Business Evolution
- Momentum of Collaborative Commerce
- Emergence of Digital Markets

Source: AMR Research, June 2000 and Gartner Research, January 2001

Slide 6 WHO HAS DONE ERP?

America's Most Successful Companies:

- 7 of 10 of Most Profitable
- 9 of 10 with Highest Market Value
- 7 of top 10 Pharmaceutical Companies
- 7 of Top 10 Computer Companies
- 7 of Top 10 Petroleum Companies
- 6 of Top 10 Electronic Companies
- 8 of Top 10 Chemical Companies
- 8 of Top 10 Food Companies

List of Companies:

- Ericsson
- Bausch & Lomb
- BP
- AT&T
- BT
- AVNET
- BBC
- LOCKHEED MARTIN
- Circuit City
- Nabisco
- GAZPROM
- EXXON
- GE
- Compaq
- BGE
- The Gillette Company
- IBM
- Motorola
- Shell
- Boeing
- BASF
- Defense Logistic Agency
- Department of the Navy
- Department of the Air Force
- Department of the Army

Slide 7 ERP OBJECTIVES

- Federal financial standards compliance
- COTS solutions
- Best business practices
- Single data entry at source
- End-to-end process connectivity
- Data commonality
- Internal management orientation

Slide 8 ERP

- Revolution in Business Affairs (RBA) WG recommended ERP as a way to reduce operations and business cost using best business practices/processes for the Navy—"Give priority to investments that will cut our operating or business costs, such as Enterprise Resource Planning (ERP) and the Navy-Marine Corps Intranet (NMCI)," said Secretary of the Navy Richard Danzig, 10 August 1999.

- RBA sponsoring 4 Navy ERP pilots structured to demonstrate and evaluate different DON functional requirements, including NAVAIR Program Management (SIGMA), NAVSUP/NAVAIR Aviation Supply Chain/Maintenance Management (SMART), SPAWAR Warfare Center Management (Cabrillo), and NAVSEA/CLF Regional Maintenance (Nemais).

- ERP enables the following:
  1. Integrated Naval Aviation value chain, allowing for reduced inventory levels and AVDLR costs
  2. Automated and integrated business processes
  3. Shared common data and processes across the entire organization, reducing legacy systems and costs
  4. Consistent information for improved decision-making and performance metric, reducing non-value work
  5. Total cost visibility across the Department

Slide 9 ERP PROGRAMS

Slide 10 NAVY ERP PILOTS

The following table outlines 4 approved and funded pilots. Each pilot is 12 to 18 months. NAVAIR and NAVSUP/NAVAIR Pilots use E-2 data as "proof of concept"

PILOT	SPONSOR	Explore ERP Business Processes to Improve:	CORE S/W
Program Management (SIGMA)	NAVAIR	Program Management Process to include linkage between contracting and financial systems	SAP
Warfare Center Management (CABRILLO)	SPAWAR	NWCF Financial Management Process	SAP
Aviation Supply Chain / Maintenance Management (SMART)	NAVSUP / NAVAIR	Maintenance Planning and Material Ordering Processes (O, I, D level and NAVICP)	SAP
Regional Maintenance (NEMAIS)	NAVSEA / CLF	Workforce Management Process	SAP

Slide 11 New Section

PROJECT CABRILLO

Slide 12 ERP TOP LEVEL OBJECTIVES

- Eliminate existing internal business systems and interfaces to the maximum extent possible (especially financial feeders)
- Single source data entry while eliminating data redundancy and improving data integration
- CFO Compliance (auditable information to the transaction level; JFMIP / USSGL)
- Provide Navy Management an order of magnitude improvement in business information with an associated significant reduction of infrastructure costs

Slide 13 “AS IS” Landscape

The “AS IS” Landscape is broken down into two main areas: External and Internal Systems

There are 38 External systems represented within the landscape. Sixteen of these have external interfaces. They are as follows: DEF/CERPS, FRS, STARS HCM, PowerTrack, STARS Billing, STARS OBP, Citibank, DCPS, DAAS, DONIBIS, IFBS, DCPDS, MOCAS, SLDCADA, TMP, and OPAC.

There are 58 Internal systems represented within the landscape. Forty-four have internal interfaces. Each falls under Finance, Asset Management and Procurement, or Human Resources and Security.

The following internal interfaces fall under Finance:

Bankcard Access, Bankcard Receipts, Bankcard Transfers, Transaction Batching , Cash Transfers, Funds Data Input, Labor Cost Transfers, Labor Error Corrections, Non Labor Cost, Service Center, Invoice Loading, Transaction Queries, Financial Data Load, FinTrack, Labor Foreign Nationals, and Service Center Fee.

The following internal interfaces fall under Asset Management and Procurement:

FDES, Contracts Data, PCAD, Controlled Storage, PIE, Contract Tracking, PVIS, Electric. Paperwork, SIS, Excessing, PR ROUTER, Government Furnished Property, Sponsor- Owned Material.

There are 10 interfaces within Human Resources and four interfaces within Security.

All systems are centralized within the DIFMS/NIMMS.

Slide 14 END STATE VIEW

The figure below shows the End State View represented by 13 external systems and 11 external interfaces. The 13 external systems: DCAS, DCD/DCW/ DPPS, DCPS, DONIBIS, DCPDS, OPAC, POWERTRACK, CITIBANK, DAAS, VISTA, SPS, TBD interface with the 6 functional areas: Asset Management, Procurement, Financials, Strategic Planning, Project Management, and Human Resources, all of which revolve around a common set of Business Rules as well as Common Data.

Slide 15 PROJECT DESCRIPTION

Core Business Functional Areas

- Financial Management: All financial activities including budgets, funds management, billings, payables, reporting and employee data
- Procurement Management: All buying activities for MRO items, from issuing PO, receipt of goods and processing vendor invoices
- Asset Management: Includes both real property and improvements. Tracks all assets from acquisition to disposal.
- Project/Program Management: Fully integrated project management system that ties together project management tools with finance, budgeting, procurement and asset management data
- Strategic Management: Planning and budgeting tool for both annual and long-range planning. Will build upon annual budgeting / planning needs to develop a long-range orientation for SSC-SD.

Slide 16 New Section

Naval Supply Systems Command and Naval Air Systems Command

Figure, Supply Maintenance Aviation Reengineering Team, SMART ERP seal

Slide 17 SMART OVERVIEW

- Jointly sponsored by NAVSUP and NAVAIR: Phase I Study, Phase II Pilot, and Phase III Enterprise Roll-out
- E-2C Hawkeye I-Level maintenance with NALCOMIS OOMA and Depot interfaces: E-2C Airframe, components (not including T-56 engine), and the following activities: VAW-120, AIMD/ASD Norfolk, FISC Norfolk/San Diego, NADEP North Island
- LM-2500 Gas Turbine Engine (interfaces to D-Level maintenance): modules, components and the following activity: NADEP North Island

Slide 18 PROCESS REENGINEERING:

TRACING A GYROSCOPE REPLACED BY VAW-120

The figure below shows that tracing a gyroscope replaced by VAW-120 may bridge across 5 different locations: San Diego CA, NAVICP, CFS Houston TX, NADEP North Island and Naval Stations Norfolk at any given time in the process. Due to the high number of gyroscopes in inventory, the inoperable gyro may sit in DDDC inventory for over a year before repairs are performed. This type of gyroscope is kept in local supply at Norfolk.

Slide 19 WHERE WE'VE BEEN . . . LEAN MAPPING

The figure below highlights the following points within the Gyroscope Organization Space:

- Multiple organizations involved in the same process reduces accountability (NAVICP Item Manager, FISC Building 36, FISC, DDDC, and ATAC North Island CFS)
- Long cycle times occur due to having multiple hand-offs (AMSU, AIMD, AIMD 62A Work Center, AIMD 600 Production Control, and ATAC Norfolk CFS)
- High inventory levels are created from having 400 of this type of gyroscope. Although this gyroscope is a one-for-one exchange, the repairs sent to NADEP North Island may not be sent back to Norfolk.

The figure below also highlights the following points within the Gyroscope Systems Map:

- With 52 information transaction and 11 information systems, there is a lack of timely, accurate information for reporting and analysis.
- Certain areas on the gyroscope systems map, such as NALCOMIS OMA, lack visibility into asset status or configuration.

Stakeholders must deal with process complexity and competing organizational objectives.

Slide 20 WHERE WE GO. . . LEAN MAPPING

Three pairs of gyroscopes are shown below. Each pair has a heading: Current State, System Enhancements, and Enterprise Transformation. Within each pair, the top gyroscope is labeled "Organization Space Map" and the bottom gyroscope is labeled "System Space Map."

Within the Current State pair are the following bulleted items:

- 35 physical moves
- 29 organizations
- 52 information transactions
- 11 system/7 logbooks

Within System Enhancements pair are the following bulleted items:

- 35 physical moves
- 29 organizations
- 42 information transactions
- 1 system

System Enhancements has lowered the number of information transactions as well as systems.

Within Enterprise Transformation pair are the following bulleted items:

- 15 physical moves
- 15 organizations
- 23 information transactions
- 1 system

Enterprise Transformation will provide for an even greater leaning of the process.

Slide 21 New Section

SIGMA PROJECT

Bringing the NAVAIR Team together through ERP

Slide 22 PROGRAM MANAGEMENT PILOT SUMMARY

- Program Management Functional requirements include the following:
  1. Planning and Scheduling
  2. Financial Management
  3. Human Resource Management
  4. Configuration Management / Asset Tracking
  5. Limited Procurement
- NAVAIR business processes will be reengineered within the bounds of SAP's best commercial practices
- Best practices, not current practices, will be implemented
- The SAP software will be implemented with no code modifications

Slide 23 WHAT WILL THE PILOT PROVE?

- Ability for program managers to budget, plan, track execution, and measure performance across the TEAM
- Ability to track configuration and assets across the Navy
- Better cost visibility and more agile execution
- Ability to track financial execution across the general fund and NWCF
- Document tracking for milestone decision preparation (i.e., APB, ORD, MNS, TEMP, etc.)
- Fixed assets management (depreciation for NWCF)
- Ability for management to roll up financial performance and asset visibility
- Ability to order MILSTRIP
- Ability for planning work, capacity loading, and schedules with the Competencies (workforce planning out of HR module; TBD)
- Supports Employee self-service (Locator, RED information, etc.)
- Reduces turn around time for time sheet adjustments
- Verifies that the three company code structure supports the team financial requirements

Slide 24 NAVAIR “AS IS” BUSINESS SYSTEMS

The figure below shows the layout of the NAVAIR “AS IS” business systems. The NAVAIR business systems are made up of 17 systems that interface with one of two major systems—DIFMS or NIMMS. Listed are the 17 systems and the 7 major command elements throughout NAVAIR that these systems support.

The 17 systems follow: DCPDS, DCPS, APVM, DEF, CCR, STARS-OBP, STARS-HCM, MOCAS, DAASC, CitiDirect, TMP, DDRS, STARS-CMET, VISTA, MISIL, BUPERS, and FRS.

The 7 major commands are HQ/PEOs, TSD Orlando, NADEP Noris, NADEP Jax, NADEP ChPt, NAWC-AD, NAWC-WD.

Slide 25 NAVAIR LEGACY SYSTEM RETIREMENT MAP

The figure below shows 8 major components within the NAVAIR legacy system retirement map: material, planning, financial, human resources, budget, property, procurement, and asset management. Each of the 8 components is surrounded by their support elements. Month and year in which support elements are to be retired are shown in parentheses.

1. Material
- LIMS (March 2003)
- NIMMS (December 2001)
- LCLNIMAT5 (September 2002)
- CEIRS (September 2003)
- KIT (September 2004)
- FAS (September 2002)
- SLPRNG (March 2004)
- AFEX (September 2003)
- ACAT (March 2005)
- KITMIS (September 2003)
- SLMS (September 2003)
- SHOP (September 2003)
- EQUIP (March 2004)
- ASKARS (September 2003)
- FSOL (March 2003)
- CAIMS (March 2003)
- HWDS (September 2002)
- HMIS (March 2003)
- TIMA (March 2005)
- CRITPART (September 2003)
- HMMS (September 2004)
- HICS (March 2003)
- AS/RS (September 2004)
- HSMS (September 2002)
- SAMMSTEL (September 2004)
- PEB (December 2003)
- BREES (September 2004)
- GCW (March 2003)
- INV650 (March 2004)
- NIBOM (December 2003)
- SURH (September 2003)
- MSTS (March 2005)
- RMIS (March 2004)

2. Planning
- DEKKER TRAKER (June 2005)
- WDRMS (September 2002)
- EPRM (September 2003)
- DRD (March 2005)
- CWPS (September 2002)

- SLIC (September 2002)
- TWP (December 2001)
- WinSIGHT (September 2003)
- OPEN PLAN (June 2005)

3. Financial
- DIFMS FEEDERS (September 2002)
- DIFMS (September 2002)
- BUSINESS PRO (September 2002)
- FMS (September 2002)
- COBRA (September 2002)
- ITTS (December 2001)
- TAA (June 2005)
- CWPABS/SL WP (June 2005)
- PHIBS (September 2002)
- CDASS (December 2001)
- HAPCA (December 2001)
- TPEP (December 2001)
- FIMS (December 2001)
- TRIMS (September 2002)
- Superbudget (December 2001)
- FOSTR (September 2002)
- FAMIS (December 2001)
- BES (December 2001)
- PPES281 (December 2001)
- CLBAD (September 2002)
- SDS (December 2001)
- FMIS (December 2001)
- PMP (December 2001)
- WPS (September 2002)
- FIMSIII (December 2001)
- FES242 (December 2001)
- IDM&DS (June 2005)
- LES (December 2001)
- MTP (December 2001)
- PROJECTS (September 2002)
- AOP (September 2002)
- BTSWD (September 2002)
- PTS (December 2001)
- CAPS (September 2002)
- EMS (December 2001)
- FYDS (September 2003)
- CADFIRS (September 2002)
- FSDB (September 2002)
- BAS (December 2001)
- PAWin (December 2001)
- CFTS22 (December 2001)
- JSFFS (December 2001)

- OR 22 (December 2001)
- IPMS (March 2003)
- PVA (December 2001)
- FMS TIME OR22 (December 2001)

4. Human Resources
- PDAS (September 2002)
- NPS (September 2002)
- CAODB (September 2002)
- CAO (September 2002)
- MES (September 2002)
- LMD (December 2001)
- CLASS (September 2002)
- CUP (September 2002)
- FASTPAC (September 2002)
- EATS (September 2002)
- ONLINE HERBIE (September 2002)
- OTRS (September 2002)
- ESDP (September 2002)
- MANTIS (September 2002)
- OUCH (December 2001)
- ADRS (September 2002)
- CPMS (September 2002)
- LOCAL PAYROLL (September 2002)
- DPB (September 2002)
- ECRS (September 2002)
- FEORP (September 2002)
- PMP (September 2002)
- PPIS (September 2002)
- EPWD (September 2002)
- LOCAL PERSONNEL
- PDF (December 2001)
- DELTA (December 2001)
- EC (September 2002)
- TTA (September 2002)
- TS (September 2002)
- TMP (September 2002)
- MMDB (December 2001)
- NEXUS (December 2001)
- OCED (September 2002)
- PERSONNEL 940 (September 2002)
- LEAVE (September 2002)
- DAWIA (September 2002)
- HBOSC (September 2002)
- ISS (September 2002)
- FRONTEND DCPDS (September 2002)
- MGT (December 2001)
- PL (September 2002)

- MPA FORMATS (September 2002)
- PDB (September 2002)
- PDS5.3 (September 2002)
- SKILLS (September 2002)
- SPLEAVE (September 2002)
- WUCMIS (September 2002)
- CPRRS (September 2002)
- TSP (September 2002)
- TMS (September 2002)
- MLASS (September 2002)
- EPD (September 2002)
- SSC (September 2002)
- SEVPAY (September 2002)
- QTERM (September 2002)
- WCS (June 2005)
- EI (September 2002)
- TIPS (September 2002)
- EDW (September 2002)
- PDS (September 2002)
- LOCATOR (September 2002)
- WEBPAC (September 2002)
- TAWP (September 2002)
- TMMCA (September 2002)
- TFFMS (September 2002)
- TEAPS (December 2001)
- RMIS (September 2002)

5. Budget
- BUDGET (December 2001)
- JCON (September 2002)
- ADPBUDN (December 2001)
- PPRS (December 2001)
- ADPBUDJ (September 2002)
- BPS (December 2001)
- BSTAT (December 2001)
- NOMBERS (December 2001)
- JMS (December 2001)
- JBAS (December 2001)
- MRS (December 2001)

6. Property
- 610 FAC/EQUIP (March 2004)
- PWMA (March 2003)
- FIS (September 2003)
- PEMA (September 2003)
- WDPS (September 2003)
- PAXIS (March 2003)
- TASKTRACK (March 2005)

- WCMS (September 2003)
- CHITS (September 2003)
- ALFA (September 2003)
- PMI (March 2003)
- FMAS (March 2005)
- MCSTARS (September 2003)
- MANAGE FACILITIES (June 2005)

7. Procurement
- SUPPLY STATUS (September 2003)
- LSSLK (March 2003)
- NBV (June 2005)
- SUPPLY REQ LOG (September 2003)
- LSSPX (March 2003)
- CMAS (March 2003)
- RAPS (September 2003)
- PROCMAS (March 2003)
- CIMS (March 2005)
- SPEDI (March 2004)

8. Asset Management
- NALDA IDE (to be determined)
- NALDA (to be determined)
- RAMP2 (September 2003)
- SESS (March 2005)
- IMACS (March 2005)
- NAMP (March 2005)
- ECAMS (March 2005)
- DRLOG (March 2005)
- FLLLR (September 2003)
- TERMS (March 2005)
- ARTS (March 2005)
- AUTOSERD (March 2005)
- ILSMT ACT (March 2005)
- FTSD (March 2005)
- SEATS/ICAPS (March 2005)
- NALCOMIS (to be determined)
- NITS (September 2002)
- AWIS (March 2005)
- CASS OMS (September 2003)
- NISTARS (September 2003)
- FHASS (September 2002)
- LOCAL MDR (September 2004)
- WLS (December 2001)
- SID (March 2005)
- SAME (March 2005)
- TDSA (September 2003)
- CADMSS (March 2005)

- PSR (March 2005)
- SRC (March 2005)
- LMDSS (March 2005)
- SERMIS (March 2005)
- COMTRACK (March 2005)
- FSTIS (March 2003)
- AIRRS (March 2005)
- MGT (March 2005)
- FIST (March 2003)
- MODMIS (March 2005)
- EMDAS (March 2005)
- MEASURE (September 2003)
- MRP II/MRO (June 2005)
- EWD (to be determined)
- CMIS (to be determined)
- LETS (March 2005)
- CALL (March 2005)
- CCDR (to be determined)
- ATCM (March 2005)
- AEMS (March 2005)
- MCRC (March 2005)
- MMI (June 2005)
- FOD (March 2005)
- DMDS (March 2005)
- LAMS (March 2005)
- PLTS (March 2005)
- WLS (December 2001)
- ERRS (September 2003)
- ROLMS (September 2004)

Slide 26 NAVAIR “TO BE” BUSINESS SYSTEMS

The figure below shows a circle representing NAVAIR Enterprise System Project SIGMA. Common Data is at the circle’s center, with the following 6 functional areas surrounding it: Procurement, Financials, Project Management, Human Resources, Maintenance/Configuration, and Inventory Management. The following 18 systems interface with the NAVAIR Enterprise System Project SIGMA:

1. DAASC
2. DCPDS
3. DCPS
4. APVM
5. DEF
6. CCR
7. STARS-OBP
8. STARS-BI
9. CITIDIRECT
10. TMP
11. DDRS
12. STARS-CMET
13. VISTA
14. MOCAS
15. BUPERS
16. FRS
17. DONIBIS/CDB
18. WDS

Slide 27 PILOT IMPLEMENTATION METHODOLOGY

February 2000 through April 2000—Project Preparation
- Kick-Off Meeting (complete)
- Define Objective and Success Criteria (complete)
- Finalize Project Infrastructure (complete)
- Plan Technical Strategies (complete)
- Develop Technical Strategies (complete)
- Mobilize Project Team (complete)
- Conduct Project Team (complete)
- Milestone Review (complete)

April 2000 through July 2000—Business Blueprint
- Establish Technical Environment (complete)
- Conduct Project Team Training (complete)
- Prepare Development Environment (complete)
- Define Business Processes (complete)
- Prepare for Design (complete)
- Define High Level Business Requirements (complete)
- Finalize Project Scope (complete)
- Finalize Detailed Project Plans (complete)
- Milestone Review (complete)

July 2000 through November 2000—Realization (complete)
- Perform Configuration Training (complete)
- Customize Baseline Configuration (complete)
- Design and Customize Final Configuration (complete)
- Design and Construct Conversions, Interfaces, Enhancements, Reports, Security (in progress)
- Milestone Review (complete)

November 2000 though April 2001—Pilot Integration Testing and Demonstration (We are here)
- Prepare for Integration Testing (complete)
- Conduct Integration Testing (in progress)
- Conduct Volume and Stress Testing (future task)
- Perform End User Training (future task)
- Milestone Review (future task)

Slide 28 BUSINESS AND FINANCIAL ORGANIZATIONAL STRUCTURE

The following figure outlines the business and financial organization structure. Starting at the top is the Navy Group Company, which has five Company Codes that branch off underneath: NAVSEA Group, NAVSUP Group, NAVAIR Group, SPAWAR Group, and Fleet Group.

The NAVAIR Group is further broken down into three areas NAVAIR WARFARE CTRS, NAVAIR, and NAVAIR Depots.

NAVAIR WARFARE CTRS are broken further down into two areas: AD and WD. AD is made up of PAX WC & RNG and LH Work Ctr. WD is made up of CL WC & RNG, PM WC & RNG, and WS Work Ctr.

NAVAIR Depots are broken further down into three areas NI, CP, and JAX. NI is made up of NI Shops, CP is made up of CP Shops and JAX is made up of Jax Shops.

Finally there is the General Fund which is broken down into three area locations: HQ, Orlando and NAP.

Slide 29 New Section

Regional Maintenance ERP (NEMAIS)

A Joint Fleet – NAVSEA Initiative

Slide 30 NAVY ENTERPRISE MAINTENANCE

Improve Combat Readiness, Improve Sailor Working Conditions, and Reduce Life Cycle Cost By . . .

- Providing timely and rapid access to information
- Supporting total asset visibility
- Enhancing the planning and scheduling process
- Providing better decision making tools
- Reducing the total cost of ownership
- Minimizing and simplifying data collection

Slide 31 NAVY MAINTENANCE PROCESS (BUS 01) “AS-IS” TO “TO-BE” COMPARISON

The bar chart below provides a comparison between “as is” and “to be” tasks of the Navy maintenance process. Data for the bar chart is shown in the table below:

Abbreviation	Task name	“As Is”	“To Be”
CP1	Document Work	21	9
CP2	Validate Work	23	0
CP3	Screen Work	24	0
CP4	Plan Work / Estimate Work	24	27
CP5	Integrate and Schedule Work	23	14
CP6	Release Work	19	6
CP7	Execute Work	34	16
CP8	Integrated Work Testing	10	7
CP9	Work Validations Cert. Records Mgmt	12	6
CP10	Data Feedback	13	6
HR	Manage Human Resources	27	19
FI	Manage Finances	23	33
TS	Manage Engineering Support	12	8
SE	Manage Support Equipment	24	16
MS	Manage Material Support	26	21
ILS	Manage Integrated Logistic Support	20	15

Slide 32 New Section

SCHEDULES

Slide 33 CONSOLIDATED PILOT TIMELINE

Start and finish dates, including the duration of tasks, are provided in the table below:

Task Name	Start	Finish	Duration
• NAVAIR (SIGMA) PILOT	2/1/00	4/2/00	306 days
Project Preparation	2/1/00	4/14/00	54 days
Blueprint	4/17/00	7/31/00	76 days
Realization	6/19/00	7/31/00	114 days
Final Preparation	11/27/00	11/22/00	70 days
Demonstrate Pilot	4/2/01	4/2/01	1 day
• SPAWAR (CABRILLO)	6/5/00	8/31/01	326 days
Project Preparation	6/5/00	8/4/00	45 days
Blueprint	7/31/00	9/30/00	45 days
Realization	10/01/00	4/20/01	146 days
Final Preparation	2/28/01	5/31/01	67 days
Go Live	6/1/01	6/1/01	1 day
Go Live and Support	6/1/01	6/1/01	1 day
• SUP/AIR (SAMRT)	8/21/00	5/30/02	465 days
Project Preparation	8/21/00	9/8/00	15 days
Blueprint	9/1/00	4/27/01	172 days
Realization	5/1/01	8/24/01	84 days
Final Preparation	8/27/01	11/30/01	70 days
Go Live	12/3/01	12/3/01	1 day
Go Live and Support	12/3/01	5/30/02	129 days
• SEA/CLF (NEMAIS) Phase A	7/10/00	12/8/01	386 days
Prepare	7/10/00	2/16/01	161 days
Design Redesign	10/16/00	3/14/01	108 days
Configuration	3/1/01	10/12/01	162 days
Deploy	12/28/01	12/28/01	1 day
Deploy and Support	10/15/01	12/28/01	55 days

Slide 34 Integration and Coordination Board (ICB)

ICB Members

- Ms. Iona Evans, ERP Corporate Executive, Naval Sea Systems Command
- Mr. Mike Petz, Program Manager – NETS, Naval Sea Systems Command
- Mr. Dennis Distler, Enterprise Solutions Program, Office (ESPO) Executive Director, Naval Air Systems Command
- Mr. Kevin Fitzpatrick, Co-Program Manager – SMART, Naval Supply Systems Command
- Mr. John Wenke, Co-Program Manager – SMART, Naval Air Systems Command
- Mr. Rick Pierson, Program Manager – CABRILLO, SPAWAR Systems Center - San Diego

ICB Staff

- Mr. Greg Huntington, ESPO – SIGMA, Naval Air Systems Command
- Mr. Stan Beiter, SMART, Naval Supply Systems Command
- Mr. Dave Noble, ERP Corporate Office, Naval Sea Systems Command
- Ms. Gale Pennoyer, CABRILLO, SPAWAR Systems Center - San Diego

Slide 35 ICB INTEGRATION TEAM STRUCTURE

The following figure outlines the ICB Integration team structure. ESG is shown at the top, branching off into the following four projects: SIGMA, SMART, NEMAIS, CABRILLO, which are supported through the Integration and Coordination Board (ICB), and ICB Support Staff. The ICB is broken into functional integration teams comprised of HAT Architecture Issues, BCAT Business Case Development, FIPT Financial IPT, EDIT Data Integration and Metadata, HR Human Resources, and other functional teams as necessary.

Slide 36 NAVAL AVIATION VALUE CHAIN

The following figure outlines the Naval aviation value chain.

In-Service Support is provided for the following:

- RDT&TE
- Acquisition
- O-Level Maintenance (Material RQMT)
- I-Level Maintenance (Material RQMT)
- D-Level Maintenance (Material RQMT)

O-Level Maintenance, I-Level Maintenance, and D-Level Maintenance are linked to Supply (Transport, Distribution, and Warehouse) and RDT&E, Acquisition and Supply are routed through the suppliers.

Slide 37 EXAMPLE: INTEGRATED AVIATION CONFIGURATION MANAGEMENT

The flowchart below illustrates an example of integrated aviation configuration management. CMIS Data Collection is supported by Platform/Weapon/SE Master Data Teams (PMA, FST, Item Mgr, etc.), which flows into SIGMA SAP and SMART SAP.

SIGMA SAP branches off into Allowable all platforms (Only Baseline & Maintenance Plan Data) and moves through NALCOMIS B/L Servers to O-an I-level NALCOMIS and then to NALDA Phase II as well as I-Level SAP.

SMART SAP interfaces with both I-Level SAP and NALDA Phase II. Both SIGMA SAP and SMART SAP feed into the Data Warehouse.

Slide 38 New Section

COST - BENEFIT ANALYSIS

Slide 39 EXAMPLE: NAVAIR ERP FY02 - FY07 RETURN ON INVESTMENT

The following line chart shows an increase on return on investment between 2002 and 2007.

Return on investment is at 0% in 2002, increases to 8% in 2003, 26% in 2004, 53% in 2005, 86% in 2006, and 119% in FY 2007.

Initial baseline return on investment and payback savings.

Slide 40 ERP ANTICIPATED ENTERPRISE-WIDE BENEFITS

- Lower information technology expense
- Improve financial management
- Improve inventory management
- Increase labor efficiency
- Improve data integrity
- Increase readiness
- Enable regional maintenance

Slide 41 INDUSTRY LESSONS LEARNED—ONES WE ARE WATCHING CLOSELY

- Inadequate sponsorship
- Poor/slow decision making
- Poor/no scope definition
- Lack of cooperation between business areas / departments
- Poor use of consultants
- Inappropriate resources
- Unrealistic expectations
- Inadequate knowledge transfer to employees
- Poor project management

Slide 42 THE CHALLENGE AHEAD

Which road do we take when addressing ERP?

The Navy ERP supports NAVAIR, NAVSEA, NAVSUP and other ERP initiatives. However from a straight ERP approach, this process will be driven on DIFMS toward system specific STARS-FL and STARS-HCM.

Slide 43 New Section

BACK UPS

Slide 44 CONVERSIONS VERSION 1.0

Total Conversion Scope=11

STARS-HCM, MISIL, DIFMS, and STARS-FL provides the platform for the following processes:

- Reimbursable order fund balance flows into FM
- Incoming PD's Project Directives flows into FM
- General Fund authorization flows into FM
- Incoming Direct Cite fund Balances flows into FM
- Fund Master Records flows into FM
- Open Committments flows into MM
- Open Obligations flows into MM
- Open Payables flows into FI
- Open Receivables flows into FI
- General Ledgers Balances flows into FI
- Outbound Operating Budget links up with Government UIC vendors
- Outbound Allotments links up with Government UIC vendors
- Reimbursable Open Customer Orders flows into SD

PAXIS allows assets to flow into PM.

Equipment Master Material Master flows into MM.

WPS provides the platform for the following processes:

- Government UIC Vendors flows into FI
- Customers flows into SD

CCR allows Commercial Vendor Data to flow into HR.
BUPERS allows MIL Personnel data to flow into HR.
DCPS allows leave records and work schedules to flow into HR.
DCPDS allows Organization, Job, and Personnel to flow into HR.

Slide 45 INTERFACES VERSION 1.0

Total Interface Scope=17

Listed below are the 17 systems and their particular interfaces with the 6 functional areas (FM, FL, SD, HR, CO, MM, and PS)

System	Interface	Functional area
STAARS-BI	• Reimbursable Stars billing (STARS-BL) • Incoming reimbursable orders	FI
VISTA	• MILSTRIP payment information	SD
FRS	• Reimbursable billings	SD
CDB/DONIBIS	• Ledger summary to WCF	FI
DEF (Monthly and Daily CERPS)	• Expenditure credits	FI
WDS	• Labor financial data for Depot MRP II	PS
DAASC	• Price Changes, cancellations • Obligation, cancellations	MM
CCR	• Commercial Vendors Master data	MM
APVM	• Payment auth/rejection • Authorization request payment confirmation	MM
STARS ONEPAY	• Certified invoice, FADA • Confirmation, Rejection • FADA for Transaction by others	FI
DCPDS	• Employee Master Data	HR
DDRS	• Appropriations Ledger Reporting	FI
DCPS	• Civilian payroll expenditures, credits • Time and management (CATS)	FI and HR
Credit Card	• CITIDIRECT credit card postings	FM
Travel	• Travel obligation, advances • Funds available check • Travel Claim (A/P)	FM
MOCAS	• Post Major Contract Obligation	MM
CMET	• Validate LOA Data	FM and SD